

## PRESS RELEASE

*On the occasion of the 25<sup>th</sup> anniversary of HOTREC\*, 40 associations of 25 countries reviewed the challenges facing the European hospitality industry*

**HOTREC 56<sup>th</sup> General Assembly  
and  
“3 E” Seminar on Environment, Energy, waste, water and Enterprise  
Vilnius , 27-28 September 2007**

**On the occasion of the 56<sup>th</sup> General Assembly of HOTREC, 40 associations of 25 countries reviewed the challenges currently facing the European hospitality industry. These challenges are numerous and relate to various topics: launch of the Alcohol Forum, review of the VAT rates system, confirmation of the business plan for ISO TC 228, new report on tourism by the European Parliament, etc. The General Assembly was preceded by a seminar on “Environment, Energy, waste, water and Enterprise”, during which environment-related issues with special relevance for the hospitality industry were discussed.**

Mr. Alvitis Lukosevicius, Head of State Department for Tourism, Ministry of Economy of the Republic of Lithuania, welcomed the participants and gave a brief introduction to the importance of tourism for the Lithuanian economy.

Mr. Robert Madelin, Director General of the European Commission’s Directorate General for Health and Consumer Protection, invited HOTREC and its member associations to join the recently launched Alcohol and Health Forum, a platform to foster concrete actions aimed at reducing alcohol-related harms. The basic principle of the Forum is that all its members make concrete and detailed commitments for action and report on their implementation. Mr. Madelin stressed that virtually all players involved in the ‘alcohol chain’ (the wine, beer and spirits producers, wholesalers, retailers, advertisers and also the media) have signed up to the Alcohol Forum. Mr. Madelin explained that *“There is a lot that HOTREC can contribute to the Forum. With the retailers, the hospitality industry represents a crucial interface between producers and customers”*. Further to Mr. Madelin’s convincing speech, HOTREC and some of its member associations decided to join the Forum, although further work needs to be done on the formulation of the commitments.

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\* HOTREC was officially registered as an association under French law in 1992. HOTREC represents the hotel, restaurant and café industry at European level. It counts 1.4 million businesses, with 92% of them being micro enterprises employing less than 10 people. The micro and small enterprises (having less than 50 employees) in the hospitality industry representing 99% of businesses make up some 64% of value added. The industry provides some 8 million jobs in the EU alone. HOTREC brings together 40 National Trade and Employer Associations representing the interest of the industry in 25 different European countries.

Mr. Francesco Ianniello, Head of the Tourism Unit in the Enterprise Directorate General, introduced the Communication on an “*Agenda for a sustainable and competitive European tourism*”, which the Commission is to release just before the European Tourism Forum, to be held in Algarve on 26 October 2007. Mr. Ianniello invited HOTREC member associations to contribute actively in the future to the implementation of the Agenda.

The General Assembly took note of the release, last July, by the European Commission of a package of VAT-related documents. With this package, the Commission intends to re-launch a broad debate on reduced VAT rates. These documents require a detailed analysis. Nonetheless a first reading can lead to the following conclusions, which are not at all to the liking of HOTREC and its member associations:

- Restaurants could be subject to the intermediate rate (10-12%), but not necessarily;
- Hotels, which are not mentioned as candidates for reduced rates, could be systematically subject to the standard rate.

We doubt, however, that such a solution has any chance of success. Imposing the standard rate for hotels in all EU countries (currently 21 countries out of 27 apply a reduced rate to accommodation) would result in a tremendous increase of costs for, and consequently in a disastrous decrease of, incoming tourists. The economies of many countries are too dependent on tourism to take such a risk. HOTREC has always been advocating: the application of the lowest possible VAT rates to both hotels and restaurants in all Member States. HOTREC and its Member Associations intend to continue to defend this solution in relation to the July package.

ISO (International Organisation for Standardisation) established in 2005 the Technical Committee 228 (TC 228) to develop standards for tourism and related services, including hospitality activities. However, ever since, the national standardisation bodies (NSBs), members of the Committee, were unable to find a consensus on its scope: exclusion/inclusion of hospitality services? On 6 September 2007, the Secretariat of ISO/TC/228 announced the approval of the final version of the Business Plan. To the great disappointment of HOTREC and of most of its member associations, this Plan confirms a wide-ranging scope for TC 228, including hospitality services. The only limitation is that: “*the initial Business Plan covering the period until 2010 comprises only those work items where there is a known support amongst the stakeholders*”.

In relation to the “own initiative” report of the European Parliament on Tourism, drafted by MEP Paolo Costa and currently in discussion in the EP Committee on Transport and Tourism, HOTREC and its member associations reiterated their regret that no attention is being paid to the voluntary, industry and bottom-up approach developed by HOTREC in the recent years in relation to quality management and classification. On 31 August, HOTREC launched officially the European Hospitality Quality scheme (see the special press release on the HOTREC website [www.hotrec.eu](http://www.hotrec.eu)). This umbrella quality scheme, developed and managed by HOTREC, is to be used as a reference model at European level for national/regional quality schemes, as far as they cover hospitality establishments and their activities. This new scheme is not intended to replace the numerous existing schemes at national/regional level but it proposes a system for evaluating them. Since several years, HOTREC has also been working on facilitating access to “*What do hotel stars mean?*” in the different European countries and has created the special website [www.hotelstars.org](http://www.hotelstars.org) to this effect.

Many other issues were discussed, which are reported upon in “*Live from Brussels N°41*”, available from the HOTREC website [www.hotrec.eu](http://www.hotrec.eu).

The General Assembly approved the membership of the Bulgarian Hotel and Restaurant Association, which brings the number of associations active within HOTREC to 40. These 40 associations cover the hospitality industry in 22 European Union Member States + Macedonia, Norway and Switzerland.

The next HOTREC General Assembly will take place in Paris on 10-12 April 2008.

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